



**King County Mental Health Chemical Abuse and Dependency Services Division
2002 Briefing Paper**

**THE EFFECT OF STATE BUDGET CUTS ON
KING COUNTY MENTAL HEALTH SERVICES**

BACKGROUND:

Cuts to King County Regional Support Network (RSN) in the past two years have included:

- \$1.9 million in fiscal year 2002 due to implementation of the redistribution formula (from JLARC recommendation).
- \$3.8 million in fiscal year 2003 due to the redistribution.
- \$7.8 million in cuts to the fund balance held by King Regional Support Network.
- \$2.2 million in fiscal year 2003 due to State cuts to inpatient hospital rates.
- In addition, the State is in the process of cutting King County's allocation of Western State Hospital beds from 259 to 218. This is an effective cut to King County of \$4.5 million per year.

ISSUES/CHALLENGES:

King County RSN is mandated to serve all Medicaid patients who meet medical necessity criteria. It is also required to provide crisis intervention services and involuntary commitment evaluations for all individuals regardless of funding, and must provide access to psychiatric hospitalization for all individuals who meet inpatient criteria. As an RSN, King RSN holds a risk-based contract with the State Mental Health Division. If the costs for inpatient and/or outpatient services increase beyond funding provided, KCRSN must still continue to provide all mandated services. The loss of the fund balance means that KCRSN has fewer reserves to meet unanticipated increases in demand, to pay for lawsuits or extraordinary expenses, or to help start up and fund innovative services such as the Harborview Crisis Triage Unit, the Mental Health Court, and the HOST program for homeless mentally ill individuals.

CUTS TO PROGRAMS AND SERVICES:

Since January, 2002, KCRSN has been forced to make cuts to the following programs and services, in addition to substantial reductions in KCRSN administrative costs:

- Crisis services for adults and children
- Crisis and Commitment Services
- Hospital diversion beds
- Homeless Outreach and Stabilization Transition Project
- Special needs funding for enrolled patients
- Employment Programs
- Crisis Triage Unit at Harborview
- Reimbursement to providers for outpatient services
- Services to non-Medicaid patients (at least 1,600 fewer patients will be served in 2003 than in 2001)

RECOMMENDATION/LEGISLATIVE ACTION:

The joint impact of these cuts is to devastate the continuum of mental health care in King RSN and to shift costs for mentally ill individuals to law enforcement, hospital emergency rooms, the criminal justice system, and social service providers. These cuts have resulted in cuts in service to vulnerable individuals and the cuts will continue to deepen. We urge that funding be restored to King RSN to offset the impact of these cuts.